

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

2001 JUL -5 P 3: 18

In the Matter of Telecommunications Services	)		
for Individuals with Hearing and Speech	)	CC Docket 90-571	FILED
Disabilities, and the Americans with	)		
Disabilities Act of 1990 (Fund Administration,	)		
Fund Size Estimate, and Payment Formula,	)	NSD File No. L-01-97	
July 2001 Through June 2002)	)		

**ORDER**

**Adopted: June 26, 2001**

**Released: June 27, 2001**

By the Acting Chief, Network Services Division, Common Carrier Bureau:

**I. INTRODUCTION**

1. This Order approves the Fiscal Year 2001 interstate Telecommunications Relay Service (TRS) cost recovery factor submitted by the National Exchange Carrier Association, Inc. (NECA). Effective July 1, 2001 through June 30, 2002, the interstate TRS cost recovery factor will be 0.00073. We also approve NECA's proposed fund size and provider reimbursement rates.

**II. BACKGROUND**

2. On May 2, 2001, NECA filed the TRS provider payment formula and fund size estimate for the period July 1, 2001 through June 30, 2002, in accordance with section 64.604 of the Federal Communications Commission's (Commission) rules.<sup>1</sup> Public Comment on NECA's filing was sought on May 15, 2001, with comments due on May 30, 2001 and reply comments due on June 7, 2001.<sup>2</sup>

3. The TRS Fund is designed to compensate eligible providers for the cost of furnishing interstate TRS. These services include traditional voice-to-text and text-to-voice TRS, as well as Speech to Speech (STS), Video Relay Service (VRS), and Spanish language

<sup>1</sup> 47 CFR § 64.604 (C)(4)(iii)(H).

<sup>2</sup> On May 15, 2001, the Network Services Division released a Public Notice inviting comment on NECA's proposed payment formula and fund size estimate. See National Exchange Carrier Association (NECA) Submits the Payment Formula and Fund Size Estimate for Interstate Telecommunications Relay Services (TRS) Fund for July 2001 through June 2002, *Public Notice* (rel. May 15, 2001).

interpreting.<sup>3</sup> Fund distributions are made on the basis of a payment formula initially computed by NECA in accordance with the Commission's rules and then approved or modified by the Commission.

4. In its filing, NECA describes in detail its development of projected 2001-2002 costs and the payment formula.<sup>4</sup> Based on demand and revenue projections for the July 2001 through June 2002 period, NECA uses its payment formula to calculate an interstate revenue requirement of \$59,400,000.<sup>5</sup> Dividing this revenue requirement by total end-user interstate revenues of \$81,268,261,629, as reported on FCC Form 499A, NECA computes the interstate TRS Fund contribution factor to be 0.00073. These computations are shown on the attached Table 1, which replicates Exhibit 4 in the NECA filing.

5. In its filing, NECA also proposes a reimbursement rate for traditional TRS of \$1.309 per completed interstate conversation minute, a STS reimbursement rate of \$2.62 per completed interstate conversation minute, and a VRS reimbursement rate of \$7.449 per completed interstate or intrastate conversation minute.

### III. DISCUSSION

6. We have reviewed the NECA filing and find that its methodology and computations are correct and consistent with our rules. We thus approve the proposed contribution factor of 0.00073, the fund size requirement of \$59,400,000, and the reimbursement rates for traditional TRS, STS and VRS.

### IV. CONCLUSION AND ORDERING CLAUSES

7. Accordingly, IT IS ORDERED, pursuant to section 225 of the Communications Act of 1934, as amended, 47 U.S.C. §225 and section 64.604 (c)(iii)(H) of the Commission's rules that NECA apply the contribution factor of 0.00073 to the interstate and international end-user revenue of each telecommunications carrier in the United States for TRS cost recovery. Payments will be due on July 26, 2001. Carriers with contribution requirements in excess of \$1,200 may opt to pay in equal monthly installments. A minimum contribution requirement of \$25 applies to all telecommunications carriers that have end-user revenues.

8. IT IS FURTHER ORDERED that NECA compensate traditional telecommunications relay service (TRS) providers at the rate of \$1.309 per completed interstate conversation minute for the period July 1, 2001 through June 30, 2002.

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<sup>3</sup> Telecommunications Relay Services and Speech-to-Speech Services for Individuals With Hearing and Speech Disabilities, CC Docket No. 98-67, *Report and Order and Further Notice of Proposed Rulemaking*, 15 FCC Rcd 5140 (2000) (*TRS Order*).

<sup>4</sup> See NECA filing pages 3-9.

<sup>5</sup> Included in this amount is an allocation of \$5,450,000 for a nationwide awareness campaign to publicize the availability of TRS, STS, and the abbreviated dialing code for access to TRS, 711, through mainstream media.

9. IT IS FURTHER ORDERED that NECA compensate speech-to-speech relay service (STS) providers at the rate of \$2.62 per completed interstate conversation minute for the period July 1, 2001 through June 30, 2002.

10. IT IS FURTHER ORDERED that NECA compensate video relay service (VRS) providers at the rate of \$7.449 per completed interstate or intrastate conversation minute for the period July 1, 2001 through June 30, 2002.

FEDERAL COMMUNICATIONS COMMISSION

Diane Griffin Harmon  
Acting Chief, Network Services Division  
Common Carrier Bureau

**INTERSTATE TRS FUND REQUIREMENTS**  
(July 2001 thru June 2002)

	Interstate TRS	Interstate STS	Intrastate & Interstate VRS
<b>1. Proposed Reimbursement Rate</b>	<b>\$1.309</b>	<b>\$2.620</b>	<b>\$7.449</b>
<b>2. Projected Minutes</b>	<b>41,043,614</b>	<b>225,219</b>	<b>675,146</b>
<b>3. Fund Size</b>			
a. Projected Reimbursement	\$53,726,091	\$590,019	\$5,028,910
b. Uncollectible Allowance ((3a/90%)-3a)	\$5,969,566	\$65,558	\$558,768
c. Fund Requirement	\$59,695,656	\$655,577	\$5,587,678
<b>4. TRS/STS/VRI Fund Requirement</b>	<b>\$65,938,911</b>		
a. NECA Administrative Costs	\$447,000		
b. Interest Income	(\$1,500,000)		
c. National Awareness Program (10% TRS & STS Line 3a)	\$5,450,000		
c. Total Fund Requirement	\$70,335,911		
<b>5. Surplus TRS Fund Balance (July 2000 thru June 2001)</b>	<b>\$10,970,413</b>		
<b>6. Additional Fund Requirement July 2001 thru June 2002</b>	<b>\$59,365,498</b>		
<b>7. Total 2000 End User IS Revenues Reported on FCC Form 499-A</b>	<b>\$81,268,261,629</b>		
<b>8. Projected Contribution Factor (Item 6/Item7)</b>	<b>0.00073</b>		